



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Region 6

1445 Ross Avenue, Suite 1200

Dallas, Texas 75202-2733

Acock Operating Limited Facility Photo 11

| | | |
|--|--------------|---------------|
| Inspectors: Jack Arias & Dale Selgrath | Date:1-17-13 | Time: 1:30 pm |
| City/County/State: Bastrop County, Texas | | |
| Location (coordinates): N29.28313, W97.68152 | | |
| Subject: Point of discharge of pollutants Part 5 | | |



Photo #11. Facing South from tanks and pits. Little Elm Creek showing fluids moving south east.

| | | |
|---|--|---------------------|
| RECORD OF COMMUNICATION BRINE PROGRAM | <input checked="" type="checkbox"/> Phone Call <input type="checkbox"/> Discussion <input type="checkbox"/> Field Trip <input type="checkbox"/> Conference <input type="checkbox"/> Email (Specify) | |
| To: Dale Selgrath and Jack Arias 6EN-WR Water Enforcement | From: TCEQ Christopher Keffer Christopher.Keffer@tceq.texas.gov | Date: 1-15-13 |
| | | Time: 10:30 am hrs. |
| <p>Subject: Report about oil and saltwater pollution in property. Pollution is getting into Little Elm Creek which is a drinking water supply for Gonzales County.</p> <p>Summary of Communication: Mr. Jeffery Patteson (citizen) provided information and some pictures to NPDES Compliance Section and EPA. He agreed to show EPA the site of concern. Mr. Patteson provided a report (included analytical data) and pictures. Mr. Patteson contacted EPA and shared gather information. EPA decided to do an inspection based in an analysis and more information provided by NPDES Compliance Section and Mr. Jeffery Patteson. EPA officers will meet with Mr. Patteson on Jan 17, 2013 at 9:00 pm at his property.</p> <p>Conclusions, Actions Taken, or Required:</p> | | |
| <p>Mr. Jeffery Patteson will meet with EPA Enforcement officer Jack Arias and Dale Selgrath on Jan 17 at 9:00 pm (Gonzales County) to discuss Acock Operating LTD. unauthorized discharges and other information relevant to the case.</p> | | |
| 1-15-2013 | | |



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TEXAS 75202-2733

MAY 28 2013

CERTIFIED MAIL-RETURN RECEIPT REQUESTED: 7011 3500 0000 0359 9311

Mr. Matthew Acock, Owner
Acock Operating Limited
4201 FM 1960 West, Suite 245
Houston, TX 77068

Re: Administrative Order, Docket Number: CWA-06-2013-1752
Facility Number: TXU010975

Dear Mr. Acock:

Enclosed is an Administrative Order (AO) issued to Acock Operating Limited for violation of the Clean Water Act (CWA), 33 U.S.C. §§ 1251-1387. The violation was identified during a January 17, 2013, inspection conducted by the Environmental Protection Agency, Region 6 (EPA) of your oil field lease known as the Patteson lease, located in Gonzales County, Texas and designated as Facility Number TXU010975. The violation alleged is for the unauthorized discharge of a pollutant, specifically produced wastewater, to waters of the United States.

Effective upon receipt of this AO, you shall immediately comply with all provisions set forth in the enclosed AO. This AO also requires responses to certain information demands. The EPA is committed to ensuring compliance with the requirements of the CWA, and my staff will assist you in any way possible.

You may be eligible to obtain National Pollutant Discharge Elimination System (NPDES) permit coverage for your discharge as outlined in your Texas Railroad Commission permit. If you elect to obtain NPDES authorization for your discharge, you must contact EPA's NPDES Permits Section. If you are eligible for permit coverage and you submit an application for NPDES authorization to discharge within the AO's seventy-five-day compliance period, EPA may revise this order to include a compliance schedule for this action.

If you have any enforcement questions, please contact Jack Arias, Ph.D., of my staff, at (214) 665-6434. For NPDES permit questions, please contact Mr. Brent Larsen (6WQ-P) at (214) 665-7523.

Sincerely,

A handwritten signature in black ink, appearing to read "John Blevins".

John Blevins
Director
Compliance Assurance and
Enforcement Division

Enclosure

Re: Administrative Order
Acock Operating Limited

2

cc: Mr. James Huie, Director
Districts 1 and 2
Railroad Commission of Texas
115 East Travis Street, Suite 1610
San Antonio, TX 78205-1689

Mr. Brent Larsen (6WQ-P)
EPA, Region 6

U.S. ENVIRONMENTAL PROTECTION AGENCY - REGION 6
FINDINGS OF VIOLATION AND COMPLIANCE ORDER AND INFORMATION DEMAND

In the Matter of Acock Operating Limited
Docket No. CWA-06-2013-1752; Facility No. TXU010975

STATUTORY AUTHORITY

The following findings are made and Order issued under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA") by Sections 308 and 309(a) of the Clean Water Act ("the Act"), 33 U.S.C. §§ 1318 and 1319(a). The Administrator delegated the authority to issue this Order to the Regional Administrator of EPA Region 6 who further delegated such authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Acock Operating Limited ("Respondent") is a "person" as defined by Section 502(5) of the Act, 33 U.S.C. § 1362(5).

2. At all times relevant to the violation alleged herein ("relevant time period"), Respondent operated an oil field lease known as the Patteson (Carrizo Field) lease located at N29.285851, W97.681501 in Gonzales County, Texas ("facility") and designated as Facility Number TXU010975.

3. On January 17, 2013, an EPA inspector observed that pollutants, specifically produced wastewater recently generated from oil production activities, had been discharged from the Patteson lease to a "water of the United States" as that term is defined by 40 C.F.R. § 122.2. Pollutants were discharged to Little Elm Creek, which is considered a "water of the United States." The inspector determined that water at the discharge point of entry (N29.283503, W97.681288) into the creek was contaminated from produced wastewater discharges that measured 2,300 parts-per-million Total Soluble Salts.

4. Pumps, pipes, hoses, flow lines, production wells, and associated devices located at the facility acted as "point sources" as defined by Section 502(14) of the Act, 33 U.S.C. § 1362(14).

5. At no time during the relevant time period did Respondent have National Pollutant Discharge Elimination System ("NPDES") permit coverage under the Act which authorized the discharge of a pollutant from the facility to waters of the United States.

6. It is unlawful under Section 301(a) of the Act, 33 U.S.C. § 1311(a), for any person to discharge a pollutant from a point source to waters of the United States without a permit issued under Section 402 of the Act, 33 U.S.C. § 1342.

7. On or about January 17, 2013, Respondent discharged or caused the discharge of pollutants from point sources within the facility to waters of the United States without permit coverage under the Act, in violation of Section 301(a) of the Act, 33 U.S.C. § 1311(a).

SECTION 309(a)(3) COMPLIANCE ORDER

Based on these findings and pursuant to the authority of Section 309(a)(3) of the Act, 33 U.S.C. § 1319(a)(3), EPA orders that Respondent take the following action upon receipt of this Order:

a. Within sixty (60) days of the effective date of this Order, Respondent shall cease all discharges of produced wastewater from the Patteson lease to waters of the United States.

SECTION 308 INFORMATION DEMAND

Based on the foregoing Findings and pursuant to the authority of Section 308 of the Act, 33 U.S.C. § 1318 Respondent is required to do the following:

a. Within seventy-five (75) days of the effective date of this Order, Respondent shall provide written certification to the EPA Region 6 that produced water discharges have ceased or that Respondent has applied to the NPDES Permits Branch for a wastewater discharge permit.

b. Within seventy-five (75) days of the effective date of this Order, Respondent shall submit to the EPA a copy of any effluent monitoring reports Respondent has submitted to the Railroad Commission of Texas ("RRC") during the last five years as required by the RRC discharge permit No. 00895.

c. Any information or correspondence submitted by Respondent to EPA under this Order shall be addressed to the following:

Ms. Mary Simmons
Water Enforcement Branch (6EN-WR)
EPA, Region 6
1445 Ross Ave., Suite 1200
Dallas, TX 75202-2733

GENERAL PROVISIONS

Respondent may seek federal judicial review of the Order pursuant to Chapter 7 of the Administrative Procedure Act, 5 U.S.C. §§ 701-706. Section 706, which is set forth at <http://uscode.house.gov/download/pls/05C7.txt>, states the scope of such review.

Issuance of this Section 309(a)(3) Compliance Order and the Section 308 Information Demand shall not be deemed an election by EPA to waive any administrative, judicial, civil, or criminal action to seek penalties, fines, or other relief under the Act for the violation alleged herein or other violations which may become known to EPA. EPA reserves the right to seek any remedy available under the law which it deems appropriate.

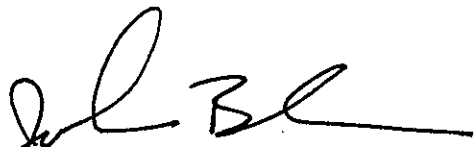
Failure to comply with this Section 309(a)(3) Compliance Order, Section 308 Information Demand, or the Act may result in the initiation of an administrative penalty action by EPA or a civil judicial penalty action by the U.S. Department of Justice.

Compliance with this Order does not relieve Respondent of its obligation to comply with all applicable federal, state, and local laws.

The effective date of this Order is the date it is received by the Respondent.

5.28.13

Date



John Blevins
Director
Compliance Assurance and
Enforcement Division

Arias, Jack

From: Arias, Jack
Sent: Monday, June 17, 2013 10:47 AM
To: 'Foster, Helen Currie'
Cc: Matthew T. Acock (matthew@aeaicc.com)
Subject: RE: Acock Operating Limited - Administrative Order, Docket Number CWA-06-2013-1752
Attachments: Acock Operating_Full Report.pdf

Ms. Foster:

Thanks for the information. To clarify part of the AO orders that respondent provide written certification that produced wastewater discharges have ceased (not production) and has applied to the NPDES permits for a wastewater discharge permit. Production could continue if respondent is applying for a wastewater permit (EPA will provide temporary guidelines until permit is finalized and approved) or Production could continue if discharges of produced wastewater have ceased and properly storage for disposal. Please keep me informed about your conversations with the NPDES permits branch. EPA is reviewing the information provided. As requested I am attaching a copy of the inspection report. Please if you have any questions contact me at any time.

Best Regards,

Jack A. Arias, Ph.D.
Environmental Scientist / Water Resources Section (6EN-WR)
Compliance Assurance and Enforcement Division
Program Manager, Hispanic Employment Program Advisory Council
U.S. Environmental Protection Agency Region 6
1445 Ross Avenue
Dallas, TX 75202
(214)665.8164 Direct Line Phone
(214)665.2168 Fax

Seize the challenge by seizing the opportunities of each day. Begin by embracing goals that gratify your passion and which beg for your attention. The ones that say come and get me.
You succeed in living an extraordinary life by focusing seriously on those things—goals that make your life passionate and radiant.

Carpe Diem!

"I believe that we are solely responsible for our choices, and we have to accept the consequences of every deed, word, and thought throughout our lifetime."

From: Foster, Helen Currie [mailto:HFoster@gdhm.com]
Sent: Thursday, June 13, 2013 12:21 PM
To: Arias, Jack
Cc: Matthew T. Acock (matthew@aeaicc.com)
Subject: Acock Operating Limited - Administrative Order, Docket Number CWA-06-2013-1752

Dear Dr. Arias:

Below are responses, on behalf of Matthew Acock and Acock Operating Limited, to some items discussed with you yesterday in our phone call concerning the Administrative Order issued to Acock Operating Limited dated May 28, 2013. We are concerned by the alleged violations and provide the following initial information:

1. **Cessation of discharge:** Discharge of produced water ceased on Friday, May 30, 2013, even before Acock Operating Company received EPA's May 28, 2013 letter (which was received on **June 3, 2013**). As soon as the operator learned of a concern, he required production and discharge to cease.
2. **Date Acock Operating began operating the lease:** Acock Operating Company took over the lease in question from a prior operator effective **September 7, 2011**.

3. **Railroad Commission Permit:** The Railroad Commission of Texas transferred Discharge Permit No. 00902 (transferred and superseding the April 15, 2011 permit) to Acock Operating, Ltd., on January 19, 2012. A copy is attached. The Permit authorizes discharge to Little Elm Creek.

4. **Effluent reports submitted to Railroad Commission:** Attached are the quarterly reports required by the Permit and submitted to date. Please note that chlorides in the effluent have ranged from as low as 18 mg/l (April-June 2012) to 506 mg/l (September 2012). Please note that oil and grease have been substantially below Permit parameters (ranging from .82 mg/l (December 2012) to 9 mg/l (February 2012). We note that no Effluent Limit Guidelines have ever been promulgated by EPA for onshore Strippers, although the Railroad Commission has promulgated guidelines with which the operator has complied.

5. **Stripper Subcategory:** The facility is a Stripper facility with production under 10 bbl/day. The facility's four wells each produce in a range of 1-2 bbl/day, with typical production from the four wells totalling 4-5 bbl/day in winter months, and 8 bbl/day in warmer months.

6. **NPDES Permit Discussion:** We are in discussions with Brent Larsen, EPA NPDES Permits, pursuant to EPA's May 28, 2013 letter, concerning submittal of an NPDES permit application. Our initial understanding is that he believes the appropriate NPDES permit in this case is an individual permit. He has told us that it takes EPA 4-6 months to review such a permit application.

Without of course waiving the right to contest the Administrative Order, we hope to work with EPA to resolve these issues quickly. This is a profitable facility. Although production could continue without any discharge of produced water (which could go into storage or be trucked for disposal), the operator needs to resume production with discharge of produced water as soon as possible. We note that the order's Section 308 Information Demand provides that within 75 days the Respondent shall certify "that produced water discharges have ceased or that Respondent has applied to the NPDES Permits Branch for a wastewater discharge permit." (Emphasis added.) We would appreciate confirmation that upon submission of such an application, discharge of produced water could resume.

Thank you for discussing these issues with me yesterday. Please let me know of any questions about the information provided in this email. Will you be able to send me the full inspection report (sampling/analysis included) pursuant to my emailed request yesterday?

Very truly yours,

Helen Foster

Helen Currie Foster
direct phone: 512 480 5681
direct fax: 512 480 5881
email: hfooster@gdhm.com
bio: [Helen Currie Foster](#)



GRAVES DOUGHERTY HEARON & MOODY

401 Congress Avenue, Suite 2200
Austin, Texas 78701
Phone 512.480.5600
www.gdhm.com

From: Foster, Helen Currie [<mailto:HFoster@gdhm.com>]

Sent: Wednesday, June 12, 2013 5:08 PM

To: Arias, Jack

Subject: request for copy of inspection report dated 1-17-13, Acock Operating Facility

Dear Dr. Arias,

This constitutes a request under applicable open records and public information provisions for a complete copy of the inspection report on Acock Operating Facility which was conducted by Region 6 on January 17, 2013, including any sampling analysis or other laboratory data.

We will pay the reasonable cost of such a report.

A response by email would be fine.

I want to be sure I have a complete copy of the document. Thank you again for your help.

Helen Foster

Helen Currie Foster
direct phone: 512 480 5681
direct fax: 512 480 5881
email: hfooster@gdhm.com
bio: [Helen Currie Foster](#)



GRAYES DOUGHERTY HEARON & MOODY

401 Congress Avenue, Suite 2200
Austin, Texas 78701
Phone 512.480.5600
www.gdhm.com

This electronic communication (including any attached document) may contain privileged and/or confidential information. If you are not an intended recipient of this communication, please be advised that any disclosure, dissemination, distribution, copying, or other use of this communication or any attached document is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail and promptly destroy all electronic and printed copies of this communication and any attached document.

This electronic communication (including any attached document) may contain privileged and/or confidential information. If you are not an intended recipient of this communication, please be advised that any disclosure, dissemination, distribution, copying, or other use of this communication or any attached document is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail and promptly destroy all electronic and printed copies of this communication and any attached document.